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STRATEGIC STUDIES INSTITUTE
US ARMY WAR COLLEGE
Carlisle Barracks, Pennsylvania

POVERTY - A SOURCE OF CONFLICT

by

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25 August 1980

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ABSTRACT

Poverty is a source of conflict and will continue to be so into the 21st century. This paper indicates that either action must be taken to lessen the poverty gap which exists or actions will have to be taken to resolve conflicts resulting from poverty.

Poverty is both absolute (i.e., lack of food, housing, clothing) and relative (i.e., lack of vacation or entertainment). Even if the world's resources are managed so that absolute poverty is eliminated, there will remain relative poverty and there will be dissatisfaction with lower positions. The interdependence of the nations of the world makes the disparities of wealth more obvious and raises the question why the profits from raw materials have been less than the profits from production. The existence of the poverty gap and knowledge about it require action to ensure that poverty does not become a major source of conflict.

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FOREWORD

This Futures Group paper analyzes poverty as a source of conflict both now and in the future. The author does not contend that poor countries are likely to attack richer ones for the spoils of war, but rather that poverty is a breeding ground for instability. He believes that the instability resulting from poverty invites interference by aggressive nations and such interferences in an interdependent world leads to confrontations.

This paper was prepared as a contribution to the field of national security research and study. As such, it does not reflect the official views of the US Army War College, the Department of the Army, or the Department of Defense.



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POVERTY - A SOURCE OF CONFLICT

The rich get richer; the poor get poorer. As this rule has applied to individuals, it has apparently applied to national economies and it may well describe the future economic state of the world. The economic conditions which define which nations are rich and which are poor play a major role in the creation of social gaps. At the same time, social factors have a great effect on economies. This connection between social and economic factors means that those countries at the lower end of the economic scale (the poor countries) will have social problems. These problems resulting from poverty create a dangerous threat to the stability of the world. This does not mean that poor countries will attack richer countries in order to gain their wealth. In fact, the really poor countries cannot maintain forces which would pose a threat. On the other hand, instability in poor countries can create tempting situations for opportunistic nations. An attempt to take advantage of the situation created by poverty will, considering the interdependence of nations, conflict with the desires of other nations. It is this external action and reaction to a nation's poverty that can most readily cause poverty to become a source of conflict.

This paper will illustrate the nature of the economic and social gap existing between the rich and poor nations, discuss poverty as a breeding ground for instability, and indicate some ways in which the US Army may become involved in "fighting" poverty or in conflicts resulting from poverty.

With cooperative actions by both the industrialized and developing nations, the current economic gap can be narrowed. With no improvements in the current efforts, the gap will widen and there will be serious consequences for the entire world.

How Bad is the Gap?

To help answer the question, "How bad is the gap?", a look at some statistics will be helpful. The World Bank has prepared background economic indicators for the nations of the world which have been divided into five categories: low income countries, middle income countries, industrialized, capital surplus oil exporters, and centrally planned economies. In the first three categories, the nations are listed in order from the poorest to the richest. The nations in the last two categories have economic structures which are not readily comparable to the first three and are, therefore, ranked separately. The economic data is in terms of Gross National Product per capita. It is recognized that the factors that make up the Gross National Product have greater meaning in one society than another (i.e., The major food requirements for the people of Nepal would not necessarily show up in the GNP for Nepal whereas they would for the US.). However, accepting its limitations in the absolute, the use of the GNP does permit a relative measurement. Extracting representative data from the first three categories, we can obtain a good picture of the economic and social gap which exists between nations. First, in order to associate some names with categories, examples of specific countries are presented:

Country	Rank (Poorest to richest)	Gross National Product Capita 1977 (\$US)	Adult Literacy 1975	Life Expectancy 1977
Low Income Countries (Total 37)				
Bhutan	1 (lowest)	\$ 80	Not Available	41
Afghanistan	20	\$190	12%	42
Togo	37	\$300	16%	46
Middle Income Countries (Total 55)				
Egypt	38	\$ 320	44%	54
Mexico	71	\$1120	76%	65
Spain	92	\$3190	Not available	73
Industrialized Countries (Total 18)				
Italy	94	\$3440	98%	73
France	101	\$7290	99%	73
United States	107	\$8520	99%	73
Switzerland	110 (highest)	\$9970	99%	74

A weighted average of the categories provides a clearer picture of the existing socio-economic gap.

	Weighted Average GNP/Capita	Adult Literacy	Life Expectancy
Low Income Countries	\$ 170	36%	50
Middle Income Countries	\$1140	69%	60
Industrialized Countries	\$6980	99%	74

The above data was extracted from the World Development Report, The World Bank, August 1979, pp. 126-127

Statistics cannot portray many factors of human life such as the quality, satisfaction from families, satisfaction from religion, ease of life, pleasantness of climate, expectations of the people and freedom from pressures of society. They do, however, indicate that there are big disparities in material wealth. This simply means that some nations are extremely wealthy in comparison to others.

Projections for the future offer little hope for narrowing the economic and social gap. On the contrary, the gap will worsen. The trends in gross national product per capita prepared by the World Bank forecast the following for 1990:

	GNP/Capita
Low Income	\$ 300 (about)
Middle Income	\$ 1,600 (about)
Industrialized	\$10,000

The Gap Between Low and Middle Income

<u>1977</u>	<u>1990</u>
\$970	\$1300

Gap Between Middle and Industrialized

<u>1977</u>	<u>1990</u>
\$5840	\$8400

The above data was extracted from the World Development Report, The World Bank, August 1979, p. 16.

In summary, there is a huge gap between the economic wealth of nations and this gap, with current trends, will increase.

Causes of Poverty

Despite groupings such as Third World, North-South, and East-West, nations are very much like individuals. They have individual natures, strong points and weak points. In analyzing why some nations are poor and others are rich, each nation must be considered separately. The complexity of the analysis of world poverty is further complicated by large economic disparities within nations. The obvious reason that some countries are rich and others poor would appear to be that natural resources are not distributed evenly throughout the world. This obvious reason, however, does not hold up under close scrutiny. Japan, poor in natural resources that include land, raw materials and energy, is rich. Zaire, however, with great resources of land, minerals and other natural wealth, is in the bottom half of the low income countries. The three richest nations (by gross national product per capita) of the industrialized countries of the world are Norway, Sweden, and Switzerland. This indicates that natural resources may play a smaller role in a nations' wealth than other factors such as: government (to include economic system), historical experience, population distribution, climate, infrastructure, neighbors, cultural composition, internal stability, education and environment. In most cases, these factors and wealth are not mutually exclusive, but are interdependent. For example, it takes wealth to provide the education which is needed to provide good government which is needed to husband the nation's resources. In this case, one could not single out a determinant factor but could say that the economic condition is a result of the interaction of many factors. Examples can be made with any or all of the factors listed.

Although the poor countries of the world share poverty, they do not always share common causes for the poverty. Perhaps the most unsettling economic event

in recent history was the increase in the cost of oil. This increase has hurt poor countries more than the rich, but even in this case among the poor countries, there are differences. The results of such a change are often unpredictable. Nigeria, one of the world's great oil exporters, continues to be poor. At the same time, the increased price of oil has caused Turkey to spend 70 to 80 percent of its available money for imports for oil, and even at this level, Turkey has been forced to close 50 percent of its industry for lack of energy. (It should be noted that, in the long run, the energy crisis will cause a transition to a different energy base and here again we have the problem of the rich getting richer . . . because the rich nations will be more able to pay for the transition than the poor. This will cause the economic gap to further widen.)

Continuing with a discussion of the complicated causes of poverty, a quick judgment for illustrative purposes can be made as to why a number of countries are poor. The poverty of Afghanistan can be accounted for by lack of resources, education, a poor climate, and a geopolitical location which has made it a battleground in the time of Genghis Khan, in the Nineteenth century imperialist struggle between Great Britain and Russia, and again today. Zaire lacks a tradition of self government, an educated elite and a sense of national purpose and unity. Indian population problems, religious relationships, and insufficient natural resources all contribute to its state of poverty. And so it goes-- each nation has its own reasons for poverty.

It's probably true to say that there is no shortage of rich people in the world. Even the poorest countries seem to have their share. The problems within the poor countries is an overabundance of poor people. The disparity of economic wealth within nations, but in particular within the poor nations,

adds another dimension to the complexity of the question, "Why are nations poor?" In the poor nations, compared to industrialized nations, the rich are more obvious. The cultural background in these areas, instead of influencing the rich to seek a low profile, often encourages an ostentatious display of wealth. The governments of the poor nations, if not controlled by the rich, exist at the sufferance of the rich who enjoy special privileges and advantages. This position is often used to further exploit the poor and retain a status quo. The frustrations resulting from the disparities of wealth within a nation can internally threaten the existence of the governments. These frustrations of the poor against their own governments are often transferred to other nations who are attempting to improve conditions. This transfer can be made simply because the external nation is seen as a supporter of the disliked regime. Often the external nation is disliked because the aid that it gives with the best of intentions does not reach the needy, it does not correct the problems, but more likely than not it ends in the hands of the rich.

It is sufficient to say that nations are poor because of a number of factors which are linked to each other. In a sense, this linking of factors can be looked at as forming a net which holds the poor nations in a state of poverty. Each country has its own particular net which must be dealt with on an individual basis. Further, like all nets, it is difficult to loosen one strand without affecting others. This can change the shape of the net even to the extent that the net can become a snarled ball of threads.

The Meaning of Poverty

"The poor you shall have with you always," was a true prediction. It has been true because we have had poverty throughout the 2000 years that have elapsed

since those words were spoken. The Brandt Commission reported in February 1980 that in developing countries some seven or eight million children under the age of five die every year from drinking polluted water. In these same countries, there are thirty or forty million people who are blind because of diet or infection. These are indications of absolute poverty. Even if the world can solve the problems of hunger, clothing, and housing, which produce these conditions, we will still have poverty because poverty is not only an absolute, it is a perception of relativity. In George Washington's day, indoor plumbing of any kind was an almost unique mark of wealth and ingenuity. In this year's census, an absence of plumbing is a mark of poverty. Even the poverty level as estimated by our government and which gradually increases, illustrates the relativity of poverty. Will Rogers once said that he thought he would like Communism because it promises to take from the rich and give to the poor. When he discovered that relative to most people he was rich, he changed his mind. Many of our older citizens will say that in their youth their families were poor, but at the time they were not aware of it. This can reflect two conditions -- improving standards and a lack of knowledge of what other people possess. This example of improving standards supports the idea that poverty is relative and the lack of knowledge supports the idea of perception. An increased awareness by the poor nations of the rich nations' dependence on them feeds the fires of dissatisfaction which result from their perception of the existing disparities of wealth. There is a great deal to be said on behalf of the position of the poor nations, if, in fact, our economies are mutually dependent. To say that our production is more important than their raw materials that go into a product or their energy which is used in making that product is as difficult as saying that one leg of a three-legged stool is more important than the other two.

Increasing social awareness and governments becoming more responsive to the needs of their own people account in part for efforts by poor nations with raw materials to demand more in return for them. Unfortunately, sharply increased demands for critical items such as oil have mixed results that can hurt rich and poor alike. If the recent increases in cost of oil could have been spread out over a much longer period of time the world economy could have more easily adjusted. This would have reduced the adverse effects on both the industrialized and developing nations.

World interdependence which has grown so fast with the increase of communications, trade, international corporations, and travel has increased the knowledge of all nations about how the rest of the world lives. The young man in Jamaica who can find employment waiting on tourists is very fortunate because he is not a member of the 20-30 percent group of unemployed. At the same time, however, the fact that the tourist indirectly employs him does not decrease the young man's envy of the tourist's wealth. The wealth of industrialized nations displayed directly and indirectly on TV heightens the awareness of poverty. Archie Bunker's home, which is supposed to portray an American working man's home, becomes a model of an unattainable goal to many people around the world, including a large segment of our own population. In 1966, the author of this paper who at that time was a student in an Italian college, was challenged by his colleagues as to why the United States consumed a disproportionate share of the world's resources. A good answer would have been that the US produces a disproportionate share of the world's goods. The question, however, was not asked to receive an answer but rather to express displeasure. It also contained a large element of envy.

International corporations have been able to take advantage of varying economic conditions and locations of raw materials to permit production and distribution in a highly competitive manner. This spanning of nations has been another factor in the creation of world interdependence. Another source of interdependence has been government planning in cooperation with industry. This has allowed nations such as Japan to concentrate production on what is most profitable for their own country. Through this form of specialization, nations become dependent on others not only for raw materials but for those finished goods which they have chosen not to produce. Raw materials, however, create the greatest problem of interdependence. Many poor countries possess raw materials essential to the economy of the industrialized nations. We are, therefore, dependent on them and they on us.

Results of Poverty

The knowledge that people are poor and that countries are poor has developed faster than the ability to do something about poverty. Efforts to improve the economic conditions of poor countries often only benefit the rich of those countries. Increases in the cost of oil made by the oil-producing countries have hurt almost all of the developing nations. The increased knowledge of poverty, coupled with the lack of success in improving the conditions, has led to a growing sense of frustration for individuals, nations, and world organizations. This frustration produces unstable conditions and a threat to peace. Unemployment provides time for the unemployed to reflect on the existing conditions and to physically protest. A lack of education creates groups susceptible to being led by radicals. In those developing countries which are attempting a democratic form of government, the governments can be made unstable by unreasonable demands of radicals and in many

cases overthrown by discontents who make ridiculous promises to an uneducated electorate. In developing countries with authoritative governments, the discontented have specific individuals to blame for the nation's conditions. In these countries force is most likely to be used, first by the government to suppress dissent and then by the dissenters. The instability of governments, coupled with world interdependence, can easily involve many nations in the problems of one. Considering the delicate balance of power between the superpowers, the proliferation of nuclear weapons, and the rise of terrorism, the necessity to decrease world instability--to do something about poverty--becomes a necessary task for every nation.

Implications for the US Army

World interest in reducing poverty will increase as the perception of its danger becomes more clear. For its own national interests as well as for its responsibility which comes from being rich, the United States should increase its external anti-poverty efforts. These efforts must not only be directed by carefully planned programs which must with reasonable accuracy project the desired results, but must also consider United States interests and those of our allies. These programs could contain many activities such as:

- Construction--a modern infrastructure, roads and other transportation facilities, development of natural resources, hydroelectric dams and canals, and water facilities.

- Education--trades, government, agriculture, and security.

- Distribution--goods and services, food, and medical supplies.

If the US government increases its programs, the experience and capabilities of the US Army could well be used in almost any conceivable program,

certainly in those listed above. Army participation in programs such as these could provide a great sense of satisfaction among the participants and greater esteem for the Army by both the recipients and the United States.

On the other hand if the nations of the world fail to decrease the instability that exists, then there will be a number of situations which will threaten world peace. Turning to their most available resources, the United States and other nations will call on their military to deal with such problems.

Examples are:

- Floods of refugees escaping poverty but claiming political refuge.
- Terrorism which can range from the capture of hostages to a threat of use of nuclear weapons.
- Harassment of United States trade and commerce through the use of force.
- Revolutions.
- Attack by some developing countries on others which are friendly or important to us.
- Use of developing nations as surrogate forces.
- Possible conflict between superpowers.

The problems of poverty are real and these problems, if allowed to increase or even continue at their present level, will threaten world peace.

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